

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: February 19, 2003

Division: County Administrator

Bulk Item: Yes No X

Department: County Administrator

AGENDA ITEM WORDING:

Approval of two resolutions: 1) Resolution authorizing the issuance not exceeding \$25,000,000 in aggregate principal amount of Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2003, to finance the acquisition, construction and equipping of certain capital improvements within the County. 2) Resolution supplementing a resolution adopted by the Board on February 19, 2003, and entitled, "A resolution authorizing the issuance of not exceeding \$25,000,000 in aggregate principal amount of Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2003, to finance the acquisition, construction and equipping of certain capital improvements within the County."

ITEM BACKGROUND:

On Nov. 20, 2002, the Board directed and authorized the County's financial advisor and the County Administrator to solicit proposals from financial institutions to provide financing to the County in order to finance various Capital Improvements. The resolutions authorize the issuance of Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2003. The 2003 note will be secured by and payable from the One Cent Infrastructure Sales Surtax revenue. Proceeds will be used to finance capital projects as stated in Exhibit A of Resolution 1.

PREVIOUS RELEVANT BOCC ACTION:

On **January 15, 2003**, Board granted approval to advertise an Ordinance authorizing the issuance of its Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2003, in an aggregate principal amount not to exceed \$25,000,000 secured by and payable from the pledged funds described herein for the principal purposes of financing the acquisition, construction and equipping of various capital improvements within the County; providing for various rights and remedies of the bondholders; providing that the bonds authorized hereunder will not create a general debt or obligation of the County; providing for severability; and providing an effective date.

On **January 15, 2003**, the Board approved the revised capital improvement plan contingent upon the issuance of bonds and approval of revised allocation percentages for the capital improvement plan.

On **Nov. 20, 2002**, Board approved resolution 542-2002 authorizing and directing the County Administrator and the County's financial advisor to solicit proposals from various financial institutions to provide financing to the County in order to finance various Capital Improvements

CONTRACT/AGREEMENT CHANGES:

N/A

STAFF RECOMMENDATIONS:

Approval as stated above.

194

TOTAL COST: _____

BUDGETED: Yes ___ No ___

COST TO COUNTY: _____

SOURCE OF FUNDS: _____

REVENUE PRODUCING: Yes ___ No ___ AMOUNT PER MONTH _____ Year _____

APPROVED BY: County Atty ___ OMB/Purchasing ___ Risk Management ___

DIVISION DIRECTOR APPROVAL: _____



James L. Roberts

DOCUMENTATION: Included X To Follow _____ Not Required _____

DISPOSITION: _____

AGENDA ITEM #

134

MONROE COUNTY, FLORIDA

**INFRASTRUCTURE SALES SURTAX
REVENUE BOND RESOLUTION**

ADOPTED FEBRUARY 19, 2003

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RESOLUTION NO. ____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF MONROE COUNTY, FLORIDA INFRASTRUCTURE SALES SURTAX REVENUE BONDS, SERIES 2003, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS WITHIN THE COUNTY; PLEDGING MONEYS RECEIVED BY THE COUNTY FROM THE ONE CENT LOCAL GOVERNMENT INFRASTRUCTURE SALES SURTAX TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING CERTAIN TERMS AND DETAILS OF SAID BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA:

ARTICLE I

GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation, or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an

Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year.

"Act" shall mean Chapter 125, Florida Statutes, Chapter 212, Florida Statutes, the Monroe County Code, the Infrastructure Sales Surtax Ordinance, the Ordinance, and other applicable provisions of law.

"Additional Bonds" shall mean the obligations (including, but not limited to, bond anticipation notes or other similar short-term indebtedness) issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2003 Bonds.

"Amortization Installment" shall mean an amount designated as such by, or provided for pursuant to, Supplemental Resolution of the Issuer and established with respect to the Term Bonds.

"Annual Debt Service" shall mean, at any time, the aggregate amount in the then current Fiscal Year of (1) interest required to be paid on the Outstanding Bonds during such Fiscal Year, except to the extent that such interest is to be paid from deposits in the Interest Account or Construction Fund from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such Fiscal Year, (3) the Amortization Installments with respect to such Fiscal Year, and (4) any amounts owing to the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit. For purposes of this definition, (A) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment due in the year of its maturity or date of redemption by Amortization Installment, (B) with respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time, and (C) the amount on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Annual Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted.

"Authorized Investments" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the Issuer:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and

TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration
Participation certificates
6. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
7. U.S. Maritime Administration
Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations
3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
5. Resolution Funding Corp. (REFCORP) obligations
6. Farm Credit System
Consolidated systemwide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

G. Investment Agreements, including Guaranteed Investment Contracts, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the Insurers (Investment Agreement criteria is available upon request).

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

K. Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to the Insurers (criteria available upon request)

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm
 - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or
 - b. Banks rated "A" or above by Standard & Poor's and Moody's.
2. The written repo contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (i) Direct U.S. governments, or
 - (ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
 - b. The term of the repo may be up to 30 days
 - c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - d. Valuation of Collateral

(i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(ii) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the Issuer to the effect that the repo meets guidelines under state law for legal investment of public funds.

L. Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to law as a legal depository of public moneys and for which the State Board of Administration acts as custodian.

M. Other investments that are approved in writing by the Insurers.

Rating categories when referred to herein shall be without regard to gradations within such categories, such as "plus" or "minus."

"Authorized Issuer Officer" shall mean the Mayor, the County Administrator, the Clerk or their designee(s), and when used in reference to any act or document also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean a municipal bond insurance policy issued by an Insurer insuring the payment, when due, of the principal of and interest on a Series of Bonds as provided therein. With respect to the Series 2003 Bonds, "Bond Insurance Policy" shall mean the municipal bond insurance policy issued by MBIA Insurance Corporation guaranteeing, when due, the scheduled principal of and interest on the Series 2003 Bonds.

"Bond Year" shall mean the period commencing on October 1 of each year and ending on September 30 of each year.

"Bondholder" or **"Holder"** or **"holder of Bonds"** or any similar term, when used with reference to a Bond or Bonds, shall mean any Person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bonds" shall mean the Series 2003 Bonds, together with any Additional Bonds, issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"Capital Appreciation Bonds" shall mean those Bonds, if any, so designated by Supplemental Resolution of the Issuer, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Clerk" shall mean the Clerk of the Circuit Court for Monroe County, Florida and Ex-Officio Clerk of the Board of County Commissioners of Monroe County, Florida, and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules promulgated thereunder.

"Construction Fund" shall mean the Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds Construction Fund established pursuant to Section 4.03 hereof.

"Cost" when used in connection with a Project and permitted by the Act, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project or any portion thereof; (3) any costs of land and interests therein and the costs of the Issuer incidental to such acquisition (including, without limitation, title insurance and related costs and costs associated with the examination, survey and any remediation required with respect to such land); (4) the cost of any indemnity and surety bonds and premiums for

insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during the period of construction of the Project and a reasonable period subsequent to completion of construction as the Issuer shall determine; (6) engineering, architectural, legal, financial advisory and other consultant fees and expenses; (7) costs and expenses of the financing incurred for the Project, including fees and expenses of any Paying Agent, Registrar, Credit Facility Provider or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness of the Issuer incurred for the Project; (9) costs of machinery, equipment, technology, supplies, spare parts, furniture and any other items required by the Issuer for the commencement of operation of the Project; and (10) any other costs properly attributable to such construction or acquisition or to the issuance of the Bonds which finance the Project, as determined by generally accepted accounting principles applicable to the Project, and shall include reimbursement to the Issuer for any such items of Cost paid by the Issuer prior to the issuance of the Bonds or other obligations issued to finance the Project.

"Counterparty" shall mean the entity entering into a Hedge Agreement with the Issuer. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

"Credit Facility" shall mean as to any particular Series of Bonds, a Bond Insurance Policy, a letter of credit, a line of credit or another credit or liquidity enhancement facility, as approved herein or in the Supplemental Resolution providing for the issuance of such Series of Bonds. With respect to the Series 2003 Bonds, "Credit Facility" shall mean the Bond Insurance Policy issued by MBIA Insurance Corporation.

"Credit Facility Provider" shall mean the Insurer, bank or other financial institution issuing a Credit Facility for a particular Series of Bonds.

"Debt Service Fund" shall mean the Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds Debt Service Fund established pursuant to Section 4.04 hereof.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Fitch" shall mean Fitch Ratings and any assigns or successors thereto.

"Hedge Agreement" shall mean an agreement in writing between the Issuer and the Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an amount,

either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on a notional amount specified in such agreement in the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a notional amount specified in such agreement during the period specified in such agreement.

"Hedge Payments" shall mean any amounts payable by the Issuer as interest on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or a fee or by virtue of termination of a Qualified Hedge Agreement or any obligation of the Issuer to provide collateral.

"Hedge Receipts" shall mean any amounts receivable by the Issuer on the related notional amount under a Qualified Hedge Agreement.

"Infrastructure Sales Surtax Ordinance" shall mean, collectively, Ordinance No. 013-1989 adopted by the Board on May 23, 1989, and Ordinance No. 01-2000 adopted by the Board on January 19, 2000, authorizing the levy of a one cent local government infrastructure surtax, as each Ordinance may be amended and supplemented.

"Infrastructure Sales Surtax Revenues" shall mean the proceeds received by the Issuer from the levy of the one cent local government infrastructure sales surtax pursuant to Section 212.055(2), Florida Statutes and other applicable provisions of law.

"Insurer" shall mean with respect to the Series 2003 Bonds, MBIA Insurance Corporation and with respect to any other Series of Bonds, the Credit Facility Provider, if any, issuing a Bond Insurance Policy with respect to such Series of Bonds.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Interest Date" or **"interest payment date"** shall be such date or dates for the payment of interest on the Bonds as provided pursuant to Sections 2.01 or 2.02 hereof.

"Issuer" or **"County"** shall mean Monroe County, Florida, a political subdivision of the State of Florida.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding,

excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which the Maximum Annual Debt Service shall at any time be computed.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution of the Issuer delineating the details of such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear in the future in accordance with the terms of such Supplemental Resolution.

"Mayor" shall mean the Chairman or the Mayor of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

"Moody's" shall mean Moody's Investors Service, and any assigns or successors thereto.

"Ordinance" shall mean the ordinance adopted by the Board on February 19, 2003, authorizing the issuance of the Series 2003 Bonds.

"Outstanding" when used with reference to the Bonds and as of any particular date, shall describe all of the Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or Bonds under Sections 2.07 and 2.08 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds cancelled after purchase in the open market or because of payment at maturity.

"Paying Agent" shall mean for each Series of Bonds, the paying agent appointed by the Issuer for such Series of Bonds and its successors and assigns, if any.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean (1) the Infrastructure Sales Surtax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except (A) for the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions hereof.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable at the option of the obligor prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or Refunding Securities, secured in the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Refunding Securities, which have been deposited in such fund along with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above, and (4) which are rated in the highest rating category of Standard & Poor's, Fitch or Moody's.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Prior Bonds" shall mean the Issuer's outstanding Monroe County, Florida Sales Tax Refunding Revenue Bonds, Series 1998, dated as of January 1, 1998.

"Prior Resolution" shall mean the Issuer's Resolution No. 206-1990, adopted on March 10, 1980, as amended and supplemented.

"Project" shall mean the 2003 Project and the acquisition, construction and equipping of such additional properties and facilities that are subsequently approved by the Issuer and which may be lawfully financed with Infrastructure Sales Surtax Revenues pursuant to the Act.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with a Counterparty which at the time it enters into such Qualified Hedge Agreement is rated "A-" or better by Standard & Poor's and "A3" or better by Moody's.

"Rebate Fund" shall mean the Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds, Rebate Fund established pursuant to Section 4.04 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunding Securities" shall mean any of the items listed in paragraph A or B (excluding paragraphs B(4) and B(6)) of the definition of Authorized Investments, and Prerefunded Obligations.

"Registrar" shall mean for each Series of Bonds, any registrar appointed by the Issuer for such Series of Bonds and its successors and assigns, if any.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Reserve Account Insurance Policy" shall mean an insurance policy or surety bond deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

"Reserve Account Letter of Credit" shall mean an unconditional irrevocable letter of credit or line of credit (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account or any subaccount thereof, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) one hundred twenty-five percent (125%) of the average annual debt service for all Outstanding Bonds secured thereby, or (3) such other amount as shall be designated by Bond Counsel as the maximum amount of Bond proceeds which may be deposited in the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation. For the purpose of determining the Reserve Account Requirement on any Variable Rate Bonds, the interest rate on the Variable Rate Bonds shall be assumed to be the rate calculated in accordance with Section 5.02(B) hereof.

"Resolution" shall mean this Infrastructure Sales Surtax Revenue Bond Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Restricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"Revenue Fund" shall mean the Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds Revenue Fund established pursuant to Section 4.04 hereof.

"Serial Bonds" shall mean all of the Bonds other than Term Bonds.

"Series" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Issuer as a separate Series, regardless of variations in maturity, interest rate, amortization installments or other provisions.

"Series 2003 Bonds" shall mean the Monroe County, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2003, authorized and issued pursuant to Section 2.02 of this Resolution.

"Standard & Poor's" shall mean Standard and Poor's Ratings Group, and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Subordinated Indebtedness" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"Taxable Bonds" shall mean any Bonds which state, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes or that such interest is subject to federal income taxation.

"Term Bonds" shall mean Bonds which shall be designated as Term Bonds by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installment.

"2003 Project" shall mean the acquisition, construction and equipping of various capital improvements within the County, all as more particularly described in the capital

improvement program and the plans and specifications on file or to be on file with the Issuer, as the same may be modified or amended from time to time. A general description of the 2003 Project is set forth in Exhibit A attached hereto.

"Unrestricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds and the Insurer and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and the Credit Facility Provider(s). The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and for the benefit, protection and security of the Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared: